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Guy M. Hicks
General Counsel

January 20, 1998

VIA HAND DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *BellSouth Telecommunications, Inc.'s Entry Into Long Distance
(InterLATA) Service in Tennessee Pursuant to Section 271 of the
Telecommunications Act of 1996*
Docket No. 97-00309

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of BellSouth Telecommunications, Inc.'s Statement of Issues and Comments. A copy has been provided to counsel of record.

Very truly yours,

A handwritten signature in black ink, appearing to be "Guy M. Hicks", written over a large, stylized, looping flourish that extends to the left and then curves back under the signature.

Guy M. Hicks

GMH:ch

Enclosure

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BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

In Re: *BellSouth's Entry Into Long Distance (InterLATA) Service in
Tennessee Pursuant to Section 271 of the Telecommunications Act of
1996*

Docket No. 97-00309

BELLSOUTH TELECOMMUNICATIONS, INC.'S
PROPOSED STATEMENT OF ISSUES AND COMMENTS

I. INTRODUCTION

Pursuant to the Notice of Status Conference provided to BellSouth Telecommunications, Inc. ("BellSouth") on January 16, 1998, BellSouth respectfully submits the following proposed issues list and comments for consideration.

A. Statement of Issues

BellSouth believes that the Tennessee Regulatory Authority ("TRA") should resolve the following issues in this proceeding.

1. Does BellSouth's Statement of Generally Available Terms ("SGAT") comply with the requirements of § 252(f) of the Telecommunications Act of 1996 (the "Act") and the 14-point checklist set forth in § 271(c)(2)(B)?

<i>Competitive Checklist Item</i>	<i>Issue</i>
Competitive Checklist Item 1 <i>Interconnection</i>	Has BellSouth provided interconnection in accordance with the requirements of §§ 251(c)(2) and 252(d)(1) of the Act, pursuant to § 271(c)(2)(B)(i) of the Act?

Competitive Checklist Item 2 <i>Unbundled Network Elements</i>	Has BellSouth provided nondiscriminatory access to network elements in accordance with the requirements of §§ 251(c)(3) and 252(d)(1) of the Act, pursuant to § 271(c)(2)(B)(ii) of the Act?
Competitive Checklist Item 3 <i>Poles, Ducts, Conduits and Rights-of-Way</i>	Has BellSouth provided nondiscriminatory access to the poles, ducts, conduits, and rights-of-way owned or controlled by BellSouth at just and reasonable rates in accordance with the requirements of § 224 of the Communications Act of 1934 as amended by the Act, pursuant to § 271(c)(2)(B)(iii) of the Act?
Competitive Checklist Item 4 <i>Local Loop</i>	Has BellSouth unbundled the local loop transmission between the central office and the customer's premises from local switching or other services, pursuant to § 271(c)(2)(B)(iv) of the Act?
Competitive Checklist Item 5 <i>Local Transport</i>	Has BellSouth unbundled the local transport on the trunk side of a wireline local exchange carrier switch from switching or other services, pursuant to § 271(c)(2)(B)(v) of the Act?
Competitive Checklist Item 6 <i>Local Switching</i>	Has BellSouth provided unbundled local switching from transport, local loop transmission, or other services, pursuant to § 271(c)(2)(B)(vi) of the Act?

Competitive Checklist Item 7 <i>911, Directory Assistance and Operator Services</i>	Has BellSouth provided nondiscriminatory access to the following, pursuant to § 271(c)(2)(B)(vii) of the Act: (a) 911 and E911 services; (b) Directory Assistance Services to allow the other telecommunications carrier's customers to obtain telephone numbers; and (c) Operator call completion services?
Competitive Checklist Item 8 <i>White Pages Listings</i>	Has BellSouth provided white pages directory listings for customers of other telecommunications carrier's telephone exchange service, pursuant to § 271(c)(2)(B)(viii) of the Act?
Competitive Checklist Item 9 <i>Telephone Numbers (NXX Codes)</i>	Has BellSouth provided nondiscriminatory access to telephone numbers for assignment to the other telecommunications carrier's telephone exchange service customers, pursuant to § 271(c)(2)(B)(ix) of the Act?
Competitive Checklist Item 10 <i>Signaling and Signaling Databases</i>	Has BellSouth provided nondiscriminatory access to databases and associated signaling necessary for call routing and completion, pursuant to § 271(c)(2)(B)(x) of the Act?
Competitive Checklist Item 11 <i>Interim Number Portability</i>	Has BellSouth provided number portability, pursuant to § 271(c)(2)(B)(xi) of the Act?

Competitive Checklist Item 12 <i>Local Dialing Parity</i>	Has BellSouth provided nondiscriminatory access to such services or information as are necessary to allow the requesting carrier to implement local dialing parity in accordance with the requirements of § 251(b)(3) of the Act, pursuant to § 271(c)(2)(B)(xii) of the Act?
Competitive Checklist Item 13 <i>Reciprocal Compensation</i>	Has BellSouth provided reciprocal compensation arrangements in accordance with the requirements of § 252(d)(2) of the Act, pursuant to § 271(c)(2)(B)(xiii) of the Act?
Competitive Checklist Item 14 <i>Resale</i>	Has BellSouth provided telecommunications services available for resale in accordance with the requirements of §§ 251(c)(4) and 252(d)(3) of the Act, pursuant to § 271(c)(2)(B)(xiv) of the Act?

2. Will BellSouth's entry into the in-region inter-LATA long distance market in Tennessee benefit consumers and be in the public interest?

Although the Act requires the FCC to determine whether BellSouth's application for in-region interLATA relief is in the public interest, BellSouth believes the TRA should find that allowing BellSouth to enter the long distance market in Tennessee is in the public interest. The TRA Staff, in its report issued February 18, 1997, stated "[i]n the current long distance environment, the entry of BellSouth and the other large Regional Bell Companies can have significant pro-competitive effects." They conclude that "[t]o the extent that new facilities-based

providers such as BellSouth introduce more price competition in interLATA services, resellers and their customers would also benefit.”

Such a determination would facilitate BellSouth’s entry into the long distance market in Tennessee, which would benefit Tennessee consumers. BellSouth can make an even more compelling case to the FCC for long distance authority in Tennessee if the TRA were to find that the FCC’s granting such authority would be in the public interest. As a result, BellSouth respectfully requests that the TRA make a determination on the public interest issue before BellSouth files its § 271 application with the FCC..

B. Determining the Need to Rebrief the Track A versus Track B Issue

There is no need to rebrief the Track A versus Track B issue. Under the current conditions that exist in Tennessee, BellSouth believes that it is entitled to interLATA authority under Track A. BellSouth believes Track A is applicable because MCI Metro appears to provide facilities-based service to business customers and resale service to residence customers. In addition, two PCS providers, Sprint PCS and PowerTel, appear to provide service to business and residence customers. The evidence supporting BellSouth’s assertions forming the basis for its Track A filing will be fleshed out during the course of these proceedings. For example, the parties will have the opportunity to challenge the factual assertions underlying BellSouth’s Track A claim when they file their direct and rebuttal pre-filed testimony. Moreover, the parties will be given the opportunity to cross-examine BellSouth’s witnesses.

A determination will be made by the TRA with regard to the factual claims supporting BellSouth’s Track A filing. It would be inappropriate for the TRA to make a threshold or

“summary judgment” type of ruling with regard to Track A availability before hearing the evidence of the parties regarding Track A availability.

Moreover, in performing its consultative role under § 271, there is no requirement that the TRA make a Track A or Track B determination. The FCC bears that responsibility. Again, while other parties may request that the TRA prejudge Track A or Track B availability before hearing the evidence, such an approach is clearly not in the interest of Tennessee consumers and should be rejected.

Finally, the Track A versus Track B issue has already been extensively briefed by the parties. To the extent the parties wish to supplement their previously-filed briefs with regard to this issue, such supplementation can be allowed without delaying the schedule previously established in this proceeding. Assuming that the parties will request the opportunity to submit post-hearing briefs, such briefs would provide the best opportunity for the parties to address the Track A versus Track B issue. Indeed, post-hearing briefs would allow the parties to address the issue at the most appropriate time, after the evidence has been heard.

C. Revisiting, if Necessary, the Previously-Established Schedule Date and Determining the Impact on this Proceeding of the Delay in the Permanent Price Docket (97-01262)

BellSouth firmly believes that the recently revised schedule in the Permanent Price Docket should not result in a delay in the previously-established schedule in the 271 proceeding. While it may be appropriate to discuss certain refinements to the § 271 schedule referenced in the April 18 Report and Recommendation of the Hearing Officer (e.g., the need for post-hearing briefs), it is not in the interest of Tennessee consumers for this critical proceeding to be delayed.

BellSouth recognizes the importance of the Permanent Price proceeding. However, there is no reason why the TRA should delay consideration of BellSouth's SGAT or its entry into long distance until the Permanent Price proceeding has been completed. Although the rates in the SGAT are those proposed by BellSouth in Docket 97-01262, BellSouth has proposed that any modifications made by the TRA to such rates will also be made to BellSouth's SGAT, so that the prices in the SGAT will be consistent with those adopted in Docket No. 97-01262. Under § 252(f)(3) of the Act, the TRA has 60 days to review BellSouth's SGAT. While the cost proceedings will not be concluded within the 60-day period, BellSouth requests that the TRA approve the terms and conditions of the SGAT during that time period, subject to the condition and understanding that the final prices approved by the TRA in the Permanent Price proceeding will promptly be incorporated into the SGAT. This will allow the TRA to maintain the previously established schedule and move forward in this proceeding, while at the same time allowing for the incorporation of final TRA-approved prices into the SGAT.

D. Consideration of Other Issues as Requested by the Parties

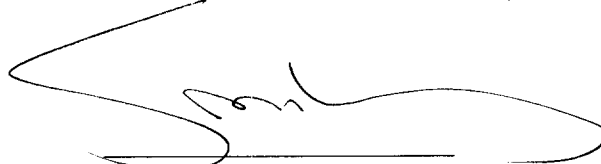
Because the TRA needs the most current market information, BST has included competitive information available to it in its 271 filings. Some of this information is proprietary. For example, the Confidential Affidavit of Gary Wright, which BellSouth intends to file with the FCC, contains proprietary information regarding the state of competition in Tennessee. Additionally, Exhibits 2, 3, and 10 to Keith Milner's Affidavit and Exhibits 20, 35, 36, 37, and 41 to William Stacy's Affidavit contain proprietary information. This type of information has been and will be furnished to the FCC under a protective order. BellSouth respectfully requests that a

protective order be entered so that this information can be made available to the TRA and the parties.

Although the TRA has been proactive in fulfilling its role under § 271, much activity has occurred in the local market since the TRA Staff made its inquiries in early 1997. Consequently, the TRA should gather information to update that which was previously accumulated by the Staff. As was recognized by the TRA, the data gathering process is imperative because so much of the information the TRA needs to fulfill its consultative function is possessed by BellSouth's local competitors and not by BellSouth. BellSouth recommends that the TRA Staff refer to the local competition questions set forth in Exhibit AJV-2 to the testimony of Al Varner. These questions may be used as a basis for updating the market information previously referenced by the Staff. Such questions could be posed by the TRA or TRA Staff to the parties without delaying the current schedule.

Respectfully submitted,

BellSouth Telecommunications, Inc.

A handwritten signature in black ink, appearing to read "Guy M. Hicks", is written over a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that on January 20, 1998, a copy of the foregoing document was served on the parties of record, via facsimile, hand delivery, overnight or U. S. Mail, postage pre-paid, addressed as follows:

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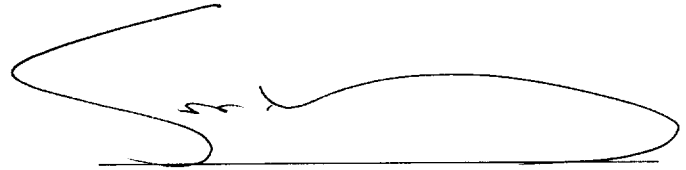
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